

## ECONOMIC DEVELOPMENT AUTHORITY[261]

### Notice of Intended Action

#### **Proposing rule making related to empower rural Iowa initiative and providing an opportunity for public comment**

The Economic Development Authority hereby proposes to amend Chapter 220, “Rural Housing Needs Assessment Grant Program,” Chapter 221, “Rural Innovation Grant Program,” and Chapter 222, “Empower Rural Iowa Program,” Iowa Administrative Code.

#### *Legal Authority for Rule Making*

This rule making is proposed under the authority provided in 2019 Iowa Acts, Senate File 608; 2021 Iowa Acts, House File 871; and 2022 Iowa Acts, House File 2564.

#### *State or Federal Law Implemented*

This rule making implements, in whole or in part, 2019 Iowa Acts, Senate File 608; 2021 Iowa Acts, House File 871; and 2022 Iowa Acts, House File 2564.

#### *Purpose and Summary*

The Empower Rural Iowa Initiative was created by Executive Order Number 3 dated July 18, 2018, which directs the Authority to provide staffing and administrative assistance for the initiative and its associated task forces. The proposed amendments to three chapters related to the initiative would accomplish the following:

- Renumber Chapters 220, 221, and 222 as Chapters 28, 29, and 30 in Part III, “Community Development Division,” of the Authority’s rules.
- Remove redundant portions of renumbered Chapters 28 and 29.
- Update scoring criteria in renumbered Chapters 28 and 29 to reflect current scoring practices.
- Remove the minimum award amounts from renumbered Chapters 28 and 29 and clarify in each chapter that maximum and minimum award amounts will be established by the Authority.
- Update references in renumbered Chapter 30 to appropriations for the Empower Rural Iowa Program in 2021 Iowa Acts, House File 871, and 2022 Iowa Acts, House File 2564.

#### *Fiscal Impact*

This rule making has no fiscal impact to the State of Iowa.

#### *Jobs Impact*

After analysis and review of this rule making, no impact on jobs has been found.

#### *Waivers*

Any person who believes that the application of the discretionary provisions of this rule making would result in hardship or injustice to that person may petition the Authority for a waiver of the discretionary provisions, if any, pursuant to 261—Chapter 199.

#### *Public Comment*

Any interested person may submit written or oral comments concerning this proposed rule making. Written or oral comments in response to this rule making must be received by the Authority no later than 4:30 p.m. on January 3, 2023. Comments should be directed to:

Lisa Connell  
Iowa Economic Development Authority  
1963 Bell Avenue, Suite 200  
Des Moines, Iowa 50315  
Phone: 515.348.6163  
Email: [lisa.connell@iowaeda.com](mailto:lisa.connell@iowaeda.com)

### *Public Hearing*

No public hearing is scheduled at this time. As provided in Iowa Code section 17A.4(1)“b,” an oral presentation regarding this rule making may be demanded by 25 interested persons, a governmental subdivision, the Administrative Rules Review Committee, an agency, or an association having 25 or more members.

### *Review by Administrative Rules Review Committee*

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rule making by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rule making at its [regular monthly meeting](#) or at a special meeting. The Committee’s meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rule-making actions are proposed:

ITEM 1. Renumber **261—Chapter 220** as **261—Chapter 28**.

ITEM 2. Amend renumbered rule 261—28.1(88GA,SF608) as follows:

**261—28.1(88GA,SF608) Purpose.** ~~Pursuant to 2019 Iowa Acts, Senate File 608, the authority is directed to establish a~~ The purpose of the rural housing needs assessment grant program ~~to support the interpretation and implementation of hard data and housing-related information specific to the communities applying for financial assistance under this program. This grant program is intended to~~ support the use of publicly available information and support community efforts to interpret hard data with supplemental information and to help communities implement changes to development codes, local ordinances, and housing incentives according to the community’s needs.

ITEM 3. Amend renumbered rule **261—28.2(88GA,SF608)**, definition of “Program,” as follows:  
“Program” means the ~~procedures, agreement, terms, and assistance~~ rural housing needs assessment grant program established and provided pursuant to in this chapter.

ITEM 4. Amend renumbered rule 261—28.3(88GA,SF608) as follows:

### **261—28.3(88GA,SF608) Program description.**

**28.3(1) Amount, form, and timing of assistance.** ~~This program provides financial assistance to applicants to support the interpretation and implementation of hard data and housing-related information specific to the communities applying for a grant under this program. The amount of assistance awarded will be determined by the authority and will be based on the total amount of funds available to the authority for the program and the costs specified in the application. Each award shall not be less than \$1,000. The authority will establish a maximum grant award per application and a minimum grant award per application for each fiscal year in which funding is available. The authority will provide financial assistance in the form of a grant. Funds will be disbursed on a reimbursement basis for expenses incurred by the applicant after approval of an award by the director.~~

### **28.3(2) Application.**

*a. Forms.* All applications and other filings related to the program shall be on such forms and in accordance with such instructions as may be established by the authority. Information about the program, the application, and application instructions may be obtained by contacting the authority ~~or by visiting~~

the authority's website: Iowa Economic Development Authority, Community Development Division, 1963 Bell Avenue, Suite 200, Des Moines, Iowa 50315, (515)348-6200, [iowaeda.com](http://iowaeda.com).

b. *Application period.* Each fiscal year during which funding is available, applications for financial assistance will only be accepted during the established application period, or periods, as identified by the authority on its website.

c. *Complete application required.* An application shall not be considered submitted for review until the application is completed and all required supporting documentation and information are provided to the authority.

~~28.3(3) *Approval of assistance.* Authority staff will review applications for financial assistance under the program, and a grant committee will score and recommend applications to the director in accordance with subrule 220.4(2). A project that does not receive funding may reapply.~~

~~28.3(4) *Agreement required.* The authority shall enter into an agreement with each applicant for the receipt of a grant under this chapter. The agreement must state the terms on which financial assistance is to be provided. The authority may negotiate the terms of the agreement. The applicant shall execute the agreement before funds are disbursed under the program.~~

~~28.3(5) *Form of financial assistance.* The authority will provide financial assistance in the form of a grant to the applicant. The amount of the grant and any other terms shall be included in the agreement required pursuant to this chapter.~~

~~28.3(6)~~ **28.3(3)** *Use of funds.*

a. An applicant shall use funds only for reimbursement of the costs directly related to the project. The authority may require documentation or other information establishing the actual costs incurred for a project. Failure to use the funds for reimbursement of the costs directly related to a project shall be grounds for default under the agreement required pursuant to this chapter.

b. For purposes of this subrule, "costs directly related" does not include any expenses specified as ineligible in the agreement required pursuant to this chapter.

ITEM 5. Amend renumbered rule 261—28.4(88GA,SF608) as follows:

**261—28.4(88GA,SF608) Program eligibility, application scoring, and funding decisions.**

**28.4(1) *Program eligibility.*** An applicant must meet the following eligibility criteria to qualify for financial assistance under this program:

a. The applicant must be an Iowa community as defined in rule 261—220.2(88GA,SF608) 261—28.2(88GA,SF608).

b. to h. No change.

**28.4(2) *Application scoring criteria.*** All completed applications will be reviewed and scored. Each application will be scored using criteria set forth by the authority, which may include the following:

a. Applicant readiness and partnerships. The application should demonstrate that the applicant is actively addressing housing needs and has identified diverse partners.

b. Project goals and timeline. The application should demonstrate clearly defined, measurable goals and a timeline for execution of the project.

c. Project budget and financing. The application should include a complete budget that provides clear justification for all costs. The application should also demonstrate secured financing and that the cash match requirement has been met.

d. Additional points. Extra consideration is provided to applications that have projects supporting housing initiatives endorsed by the Iowa great places citizens advisory board, as well as those located in a community with a population of 10,000 or less.

**28.4(3) *Funding decisions.*** Funding decisions will be made using the following process:

a. *Staff review.* Each application will be reviewed by staff for eligibility and completeness. Complete applications meeting all eligibility requirements will be sent to a grant committee.

b. *Grant committee review and recommendation.* Following staff review, a grant committee will review and score applications using the criteria ~~set forth by the authority pursuant to in~~ subrule 220.4(2) 28.4(2) and will make funding recommendations. The committee may utilize an outside technical panel if the committee determines additional expertise is necessary to review and score the application. The

application and score will be referred to the director with a recommendation as to whether to fund the project and, if funding is recommended, a recommendation as to the amount of the grant.

*c. Director's decision.* The director will make the final funding decision on each application, taking into consideration the amount of available funding and the grant committee's recommendation. The director may approve, deny, or defer funding for any application.

*d. Notification.* Each applicant will be notified in writing of the funding decision within 15 days of the director's decision.

ITEM 6. Renumber **261—Chapter 221** as **261—Chapter 29**.

ITEM 7. Amend renumbered rule 261—29.1(88GA,SF608) as follows:

**261—29.1(88GA,SF608) Purpose.** ~~Pursuant to 2019 Iowa Acts, Senate File 608, the authority is directed to establish a~~ The purpose of the rural innovation grant program is to support creative, nontraditional ideas that focus on current issues and challenges faced by rural communities associated with the themes of community investment, growth, and connection.

ITEM 8. Amend renumbered rule **261—29.2(88GA,SF608)**, definition of "Program," as follows:  
"Program" means the ~~procedures, agreement, terms, and assistance~~ rural innovation grant program established and provided pursuant to in this chapter.

ITEM 9. Amend renumbered rule 261—29.3(88GA,SF608) as follows:

**261—29.3(88GA,SF608) Program description.**

**29.3(1) Amount, form, and timing of assistance.** ~~The program provides financial assistance to applicants to support creative, nontraditional ideas that focus on current challenges facing rural communities. The amount of assistance awarded will be determined by the authority based on the total amount of funds available to the authority for the program and based on the project details. Each award shall not be less than \$1,000. The authority will establish a maximum grant award per application and a minimum grant award per application for each fiscal year in which funding is available. The authority will provide financial assistance in the form of a grant. Funds will be disbursed on a reimbursement basis for expenses incurred by the applicant after approval of an award by the director.~~

**29.3(2) Application.**

*a. Forms.* All applications and other filings related to the program shall be on such forms and in accordance with such instructions as ~~may be~~ established by the authority. Information about the program, the application, and application instructions may be obtained by contacting the authority ~~or by visiting the authority's website: Iowa Economic Development Authority, Community Development Division, 200 East Grand Avenue, Des Moines, Iowa 50309, (515)328-3000, iowaeconomicdevelopment.com.~~

*b. Application period.* Each fiscal year during which funding is available, applications for financial assistance will only be accepted during the established application period, or periods, as identified by the authority on its website.

*c. Frequency of application.* An eligible applicant may only be named as the primary entity on one application per application period. However, an applicant who has applied as the primary entity for an application may also be named as a partner on additional applications ~~submitted.~~

*d. Complete application required.* An application shall not be considered submitted for review until the application is completed and all required supporting documentation and information are provided.

**29.3(3) Approval of assistance.** ~~Authority staff will review applications for financial assistance under the program, and a grant committee will score and recommend applications to the director in accordance with subrule 221.4(2). A project that does not receive funding may reapply.~~

**29.3(4) Agreement required.** ~~The authority shall enter into an agreement with each applicant for the receipt of a grant under this chapter. The agreement must state the terms on which the financial assistance is to be provided. The authority may negotiate the terms of the agreement. The applicant shall execute the agreement before funds are disbursed under the program.~~

~~29.3(5) *Form of financial assistance.* The authority will provide financial assistance in the form of a grant to the applicant. The amount of the grant and any other terms shall be included in the agreement required pursuant to this chapter.~~

**29.3(6) 29.3(3) *Use of funds.***

*a.* An applicant shall use funds only for reimbursement of the costs directly related to the project. The authority may require documentation or other information establishing the actual costs incurred for a project. Failure to use the funds for reimbursement of the costs directly related to a project shall be grounds for default under the agreement required pursuant to this chapter.

*b.* For purposes of this subrule, “costs directly related” does not include ineligible expenses such as international travel, domestic travel outside the state of Iowa, insurance, training or professional development courses, and any other expenses specified as ineligible in the agreement required pursuant to this chapter.

ITEM 10. Amend renumbered rule 261—29.4(88GA,SF608) as follows:

**261—29.4(88GA,SF608) Program eligibility, application scoring, and funding decisions.**

**29.4(1) *Program eligibility.*** An applicant must meet the following eligibility criteria to qualify for financial assistance under this program:

*a.* The applicant must meet the definition of “applicant” in rule 261—221.2(88GA,SF608) rule 261—29.2(88GA,SF608).

*b. to f.* No change.

**29.4(2) *Application scoring criteria.*** All completed applications will be reviewed and scored. Each application will be scored using criteria set forth by the authority, which may include the following:

*a.* Alignment with program purpose. The application should demonstrate that the project aligns with the program purpose by developing a nontraditional, concrete solution to increase rural community vibrancy.

*b.* ~~Solution-oriented Innovation.~~ The application should demonstrate that the project will address rural challenges through exceptional and creative solutions.

*c.* Replicability. The application should demonstrate a clear opportunity for successful replication in rural communities across the state.

*d.* Roles defined. The application should identify and describe the roles of all partners involved in the project.

*e.* Project goals and timeline. The application should demonstrate clearly defined, measurable goals and a timeline for execution of the project.

*f.* Project budget and financing. The application should include a complete budget that provides clear justification for all costs. The application should also demonstrate secured financing and that the cash match requirement has been met.

*g.* Additional points. Extra consideration is provided to projects that have been endorsed by the Iowa great places citizens advisory board (additional five points added to score total), as well as those located in a community with a population of 5,000 or less.

**29.4(3) *Funding decisions.*** Funding decisions will be made using the following process:

*a.* Staff review. Each application will be reviewed by staff for eligibility and completeness. Complete applications meeting all eligibility requirements will be sent to a grant committee.

*b.* Grant committee review and recommendation. Following staff review, a grant committee will review and score applications using the criteria ~~set forth by the authority pursuant to~~ in subrule 221.4(2) 29.4(2) and will make funding recommendations. The committee may utilize an outside technical panel if the committee determines additional expertise is necessary to review and score the application. The application and score will be referred to the director with a recommendation as to whether to fund the project and, if funding is recommended, a recommendation as to the amount of the grant.

*c.* Director’s decision. The director will make the final funding decision on each application, taking into consideration the amount of available funding and the grant committee’s recommendation. The director may approve, deny, or defer funding for any application.

d. Notification. Each applicant will be notified in writing of the funding decision within 15 days of the director's decision.

ITEM 11. Renumber **261—Chapter 222** as **261—Chapter 30**.

ITEM 12. Amend renumbered rule 261—30.1(89GA,HF871) as follows:

**261—30.1(89GA,HF871,HF2564) Purpose.** The empower rural Iowa initiative was created by Executive Order Number 3 dated July 18, 2018, which directs the authority to provide staffing and administrative assistance for the initiative and its associated task forces. ~~Pursuant to 2021 Iowa Acts, House File 871, the authority is directed to adopt rules to establish criteria for the distribution of funds appropriated in section 3, subsection 11, of the legislation to the empower rural Iowa program.~~

ITEM 13. Amend renumbered rule 261—30.2(89GA,HF871), parenthetical implementation statute, as follows:

**261—30.2(89GA,HF871,HF2564) Definitions.**

ITEM 14. Amend renumbered rule 261—30.3(89GA,HF871) as follows:

**261—30.3(89GA,HF871,HF2564) Eligible uses of funds.**

**30.3(1)** No change.

**30.3(2)** Eligible uses of funds include the following:

a. The rural housing needs assessment grant program administered pursuant to ~~261—Chapter 220~~ 261—Chapter 28;

b. The rural innovation grant program administered pursuant to ~~261—Chapter 221~~ 261—Chapter 29;

c. to g. No change.

ITEM 15. Amend renumbered **261—Chapter 30**, implementation sentence, as follows:

These rules are intended to implement 2021 Iowa Acts, House File 871, and 2022 Iowa Acts, House File 2564.